

**SECRETARY OF STATE  
STATE OF MISSISSIPPI  
BUSINESS REGULATION AND ENFORCEMENT DIVISION**

**ADMINISTRATIVE PROCEEDING  
NUMBER: 01-046**

**IN THE MATTER OF:**

**WILLIAMSON POULTRY FARMS, INC.  
C.R. WILLIAMSON  
ROY NORWOOD  
LEWIS HOPPER**

**RESPONDENTS**

**CONSENT ORDER**

**I. JURISDICTION**

Finding it appropriate in the public interest, the Business Regulation and Enforcement Division of the Office of the Secretary of State of Mississippi (Division), on behalf of the Secretary of State, having the power to administer and to provide for the Mississippi Securities Act, Miss. Code Ann. §§75-71-101 to 75-71-735 (2000) (Act), and Respondents do hereby enter into this Consent Order (Order). This Order settles all of the Division's allegations contained in the First Amended Summary Suspension of Registration and Cease and Desist Order attached hereto as Exhibit A.

**II. AGREEMENT**

In consideration of a final resolution of the matters set forth in Paragraph I, and of other considerations set out hereinafter, the Division and Respondents hereby agree, stipulate and undertake as follows:

1. Respondent Williamson Poultry Farms, Inc., upon corporate reinstatement, will be a business corporation organized under the laws of the state of Mississippi whose domicile address is 271 Gum Springs Road, Braxton, Mississippi.
2. Respondent C. R. Williamson is an adult, natural person whose last known address is 1938 Cedarwood Place, Jackson Mississippi 39213, and who at all times relevant herein directly or indirectly controlled Williamson Poultry Farms, Inc., and who was at times relevant herein Chief Executive Officer of Williamson Poultry Farms, Inc.
3. Respondent Roy Norwood is an adult natural person whose last known address is Post Office Box 9282, Jackson MS 39386, and who at all times relevant herein directly or indirectly controlled Williamson Poultry Farms, Inc., and who was at all times relevant herein Interim President of Williamson Poultry Farms, Inc.
4. Respondent Lewis Hopper is an adult, natural person whose last known address is 2723 Highway 80, Brandon MS 39042-7350, and who was at all times relevant herein Vice President of Operation of Williamson Poultry Farms, Inc.
5. Respondents admit the jurisdiction of the Division as to all matters referred to herein under the authority of the Act.
6. On or before March 6, 2002, Respondent C. R. Williamson shall transfer two million (2,000,000) shares of common stock held by him to the treasury stock of Williamson Poultry Farms, Inc.
7. There shall be a cancellation of stock certificate number 2153 for one hundred thousand (100,000) shares which shall revert to treasury stock of Williamson Poultry Farms, Inc., effective March 6, 2002.

8. No shares in Williamson Poultry Farms, Inc., or any successor in interest may be transferred to C.R. Williamson, or members of his immediate family or Lewis Hopper or members of his immediate family, except as for full value reflected in any existing or future approved registration filing.
9. Williamson Poultry Farms, Inc. shall submit to examinations as determined by the Secretary of State's Office. The cost of one such examination per year shall be reimbursed by Williamson Poultry Farms, Inc.
10. A partial reimbursement in the amount of five thousand dollars (\$5,000.00) for the cost of investigating the present matter shall be paid by Williamson Poultry Farms, Inc. no later than March 1, 2005.
11. Williamson Poultry Farms, Inc. shall establish a nine-member board of directors. The terms of such board members shall be staggered two-year terms, with five members of the board to serve an initial term of three years. At no time shall any board member be related to C. R. Williamson or Lewis Hopper by blood or by marriage, if either of them are currently serving on the board of directors. Neither C.R. Williamson nor Lewis Hopper shall serve simultaneously on the Board of Directors.
12. The attorneys for Williamson Poultry Farms, Inc. shall send to all current members of the board of directors a letter outlining the duties, responsibilities, and potential liabilities of a director under Mississippi law, within ten (10) days after execution of the Consent Order. Such letter to be sent to the Secretary of State's office for review and comment prior to sending it to the directors.
13. The Board of Directors shall hold monthly meetings and the minutes of such meetings shall be submitted to the Division within ten days of the meeting. Approved

minutes shall also be submitted within ten days of their approval. This shall continue for a period of thirty-six (36) months.

14. Williamson Poultry Farms, Inc. shall obtain within a reasonable period of time an independent consultant, approved by the Division, to provide management consulting services and to develop adequate internal controls. A copy of any and all recommendations by the consultant shall be provided to the Division within seven days of completion of his final recommendations and/or report to the Company.
15. Williamson Poultry Farms, Inc. shall hire an accountant to maintain all financial information in accordance with generally accepted accounting principles.
16. Williamson Poultry Farms, Inc. shall have annual audits performed by independent Certified Public Accountants for a period continuing until full operation of Williamson Poultry Farms, Inc. and for one year thereafter. During such annual audits the internal controls of Williamson Poultry Farms, Inc. must be tested for compliance. Results of the audit must be provided to the Division within seven days of receipt. The first audit to be completed and provided to the Division by June 30, 2002 and thereafter seven (7) days after delivery of the annual audit report to the Company.
17. Williamson Poultry Farms, Inc. must provide the Division with any documentation requested within five (5) days of the receipt of the request.
18. Respondents will cease and desist offers and sales of securities in Mississippi unless such securities or transactions are exempt from registration or are the subject of an effective registration statement under the Act. Effective as of the date of this Consent Order by agreement of the parties, there are no more shares of stock in Williamson



Poultry Farms, Inc. to be offered or sold under a previously authorized registration filing.

19. As a result of this Consent Order, the matters contained in Exhibit A cannot be used as a basis for any action by the Division except as set forth herein.
20. Respondents recognize, acknowledge, and stipulate that their willful failure to comply with any of the terms, conditions or obligations of this Order may result in their being deemed to be in violation of a lawful order made pursuant to § 75-71-109 of the Act and, therefore, subject to the penalties of § 75-71-735 of the Act. Nothing contained herein shall be construed as limiting Respondents' right to contest any finding or determination made by the Division or by a court concerning an alleged failure by Respondents to comply with any of the terms and provisions of this Order.
21. There shall be no further registration filing for sales of corporate stock, until such time as the anticipated ten million dollars (\$10,000,000.00) funding has been approved and the funds delivered to the corporation. Any future registration filings for stock sales are subject to standard review and nothing herein shall constitute a guarantee of approval of any future registration filing.
22. Respondents Williamson Poultry Farms, Inc. and C.R. Williamson admit the findings contained in section 4, paragraph 2 of Exhibit A.
23. Except as to paragraph 22, Respondents neither admit nor deny the truth of the allegations contained in the Notice and enters into this Order solely to resolve all of its outstanding regulatory issues with the Division as contained in the Notice.
24. Pursuant to previous commitments by the board of directors to its board members and interim president, Roy Norwood, any provision herein notwithstanding, the

corporation is authorized to issue five (5) shares of common stock to each director in attendance at the previous board meetings during the period October, 2001 through March 6, 2002. In addition, the corporation is authorized to issue three hundred (300) shares of common stock per month to Roy Norwood, for services as interim president for the period March 19, 2001 through March 6, 2002, for a total of three thousand, six hundred (3,600) shares. No further stock shall be issued to board members or officers as compensation for services to the corporation.

25. Respondents understand that the entry of this Order represents the settlement of regulatory claims by the Division against the Respondents only and does not, in any way, restrict or affect the rights or causes of action, if any, of any Mississippi residents who have sustained losses as a result of their investments with Respondents.

### **III. OTHER CONSIDERATIONS**

In the event Respondents fail to comply with any of the agreements, stipulations or undertakings set forth in Paragraph II, Respondents shall thereby knowingly and voluntarily: waive any right to notice and to an administrative hearing; and any right to separately stated findings of fact and conclusions of law to which they may have otherwise had a right regarding the matters contained in Paragraph I; and, a Final Cease and Desist Order and Order Revoking Registration will automatically become final and enforceable against them with respect to such matters.

In the event Respondents fail to comply with any of the agreements, stipulations or undertakings set forth in Paragraph II, a reimbursement of forty thousand dollars (\$40,000.00) to the Secretary of State for all costs and expenses incurred in the

investigation of the violations and in the institution of administrative proceedings will be immediately due and payable in full.

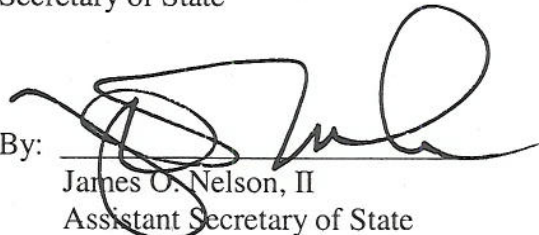
#### IV. ACKNOWLEDGEMENT

The parties acknowledge that they have read this Order in its entirety and fully understand the rights, terms and obligations of each contained therein.

The undersigned hereby acknowledge and agree to the terms and conditions of the foregoing Order by written consent.

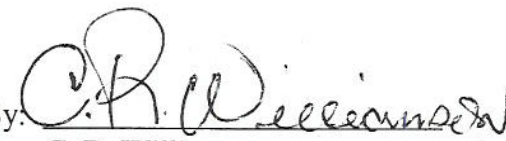
Entered this 6th day of MARCH, 2002.

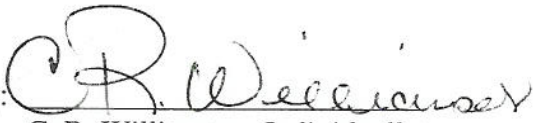
ERIC CLARK  
Secretary of State

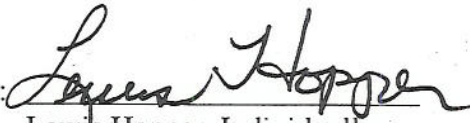
By:   
James O. Nelson, II  
Assistant Secretary of State  
Business Regulation and Enforcement

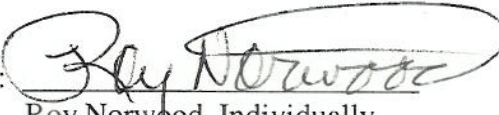
STATE OF MISSISSIPPI	
I hereby certify that this is a true and complete copy of	
the <u>15</u>	page document on file in this office
DATED <u>March 6</u>	, 20 <u>02</u>
BY <u>Eric Clark</u>	
BY <u>C. R. Williamson</u>	
This Certification Stamp Replaces Our Previous Certification System	

Respondents

By:   
C. R. Williamson,  
Chief Executive Officer  
Williamson Poultry Farms, Inc.

By:   
C. R. Williamson, Individually

By:   
Lewis Hopper, Individually

By:   
Roy Norwood, Individually



SECRETARY OF STATE  
STATE OF MISSISSIPPI  
DIVISION OF BUSINESS REGULATION AND ENFORCEMENT

IN THE MATTER OF:

ADMINISTRATIVE PROCEEDING  
NUMBER: 01-046

Williamson Poultry Farms, Inc.  
C. R. Williamson  
Roy Norwood  
Lewis Hopper

RESPONDENTS

FIRST AMENDED SUMMARY SUSPENSION OF REGISTRATION  
AND CEASE AND DESIST ORDER

I. JURISDICTION

Comes now, James O. Nelson, II, Assistant Secretary of State, for Business Regulation and Enforcement (the "Division") on behalf of Eric Clark, Secretary of State for the State of Mississippi (the "Secretary"), and states that it appears that Respondents, Williamson Poultry, Inc., C.R. Williamson, Roy Norwood, and Lewis Hopper have issued, offered and sold securities in violation of the Mississippi Securities Act, Miss. Code Ann. §75-71-101, *et seq.* (2000) (hereafter "the Act").

II. FINDINGS OF FACT

1. Respondent Williamson Poultry Farms, Inc. (hereafter "Williamson Poultry") is a business corporation organized under the laws of the state of Mississippi whose domicile address is 271 Gum Springs Road, Braxton, Mississippi.



2. Respondent C. R. Williamson is an adult, natural person whose last known address is 1938 Cedarwood Place, Jackson Mississippi 39213, and who at all times relevant herein directly or indirectly controlled Williamson Poultry, and who was at times relevant herein Chief Executive Officer of Williamson Poultry.
3. Respondent Roy Norwood is an adult, natural person whose last known address is Post Office Box 3907, Jackson MS 39386, and who at all times relevant herein, directly or indirectly controlled Williamson Poultry, and who was at all times relevant herein Interim President of Williamson Poultry.
4. Respondent Lewis Hopper is an adult, natural person whose last known address is 2723 Highway 80, Brandon MS 39042-7350, and who was at all times relevant herein Vice President of Operations of Williamson Poultry.
5. Respondents issued, offered and sold shares of stock in Williamson Poultry to Mississippi residents.
6. The Division of Regulation and Enforcement notified respondents C. R. Williamson and Lewis Hopper that an examination of the Books and Records required to be maintained by the issuer pursuant to the Mississippi Securities Act Rules was scheduled.
7. An attempt by the Division to examine the books and records of Williamson Poultry revealed that such books and records were not maintained by Williamson Poultry, as required by law.
8. An examination of certain books and records of Williamson Poultry conducted by the Division revealed that at least five hundred thousand (\$500,000) shares of

unregistered Williamson Poultry stock was sold by C. R. Williamson in at least eight hundred (800) separate transactions.

9. A check of the records required to be maintained by the Division reveals that C.R. Williamson is not registered to sell securities in the State of Mississippi.
10. An examination of certain books and records of Williamson Poultry conducted by the Division revealed that annual sales reports submitted to the Division by Williamson Poultry for the years 1993 through 2000 understated the amount of securities sold.

### III. APPLICABLE LAW

1. With respect to the offer and sale of securities, §75-71-425 of the Act states:

The secretary of state may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, any registration statement if he finds (1) that the order is in the public interest and (2) that:

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(B) Any provision of this chapter or any rule, order or condition lawfully imposed under this chapter has been willfully violated, in connection with the offering, by (i) the person filing the registration statement, or (ii) the issuer, any partner, officer or director of the issuer, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlled by or acting for the issuer, or (iii) any underwriter;

2. With respect to issuers of securities, Mississippi Securities Act Rule 535 states:

Every issuer selling its own securities shall make and keep current the following books and records:

1. Stockholders' ledgers or other records reflecting alphabetically the names and addresses of all stockholders, stock certificates issued to each, dates paid, and full details as to transfers or cancellations;
2. Copies of all promotional and sales materials used in connection with the sales of the issuer's securities;
3. Copies of all confirmations of sales of securities;
4. Stock Certificate Books.



3. With respect to the registration of securities, §75-71-401 of the Act states that:  
  
...it is unlawful for any person to offer or sell any security in the State of Mississippi unless (1) it is registered under this chapter, (2) the security or transaction is exempted under Article 3 of this chapter, or (3) it is a federal covered security.
4. With respect to issuing securities through agents, §75-71-301 of the Act states:  
  
[I]t is unlawful for any person to transact business in this state as a [n] agent unless he is registered under this chapter....[and] it is unlawful for any...issuer to employ an agent unless the agent is registered.....
5. With respect to submitting Annual Sales Reports, Mississippi Securities Act Rule 225 (A) states that:  
  
Whenever an offering of securities registered pursuant to the Act is not completed within twelve (12) months of the date of initial registration, or the requested expiration date, a sales report and the non-refundable statutory sales report fee of \$50 must be filed stating (1) the amount of securities registered in Mississippi, (2) the amount sold in Mississippi to date and (3) the amount remaining to be sold in Mississippi. So long as the registration statement is effective, a sales report must be filed every twelve (12) months thereafter until the offering is completed. The sales report is due on or before the anniversary date of the certificate of registration.

#### IV. CONCLUSIONS OF LAW

1. Respondents violated Mississippi Securities Act Rule 535 by failing to make and keep current certain books and records as required by the rule.
2. Respondents violated §75-71-401 of the Mississippi Securities Act by offering and selling shares of unregistered stock in Williamson Poultry.
3. Respondents violated §75-71-301 of the Mississippi Securities Act by selling shares of Williamson Poultry stock through an unregistered agent.
4. Respondents violated Mississippi Securities Act Rule 225 by submitting inaccurate annual sales report figures for the years 1993 through 2000.



## V. PUBLIC INTEREST

This Summary Suspension of Registration and Cease and Desist Order is issued in the public interest and for the protection of investors consistent with the purposes of this Act.

## VI. AMENDMENTS

The Division reserves the right to amend this Summary Suspension of Registration and Cease and Desist Order.

## VII. ORDER

IT IS THEREFORE ORDERED, pursuant to the authority set out in §75-71-715(1) of the Act, that Respondents Williamson Poultry Farms, Inc., C. R. Williamson, Roy Norwood, and Lewis Hopper, shall immediately CEASE AND DESIST FROM ANY FURTHER ACTIVITY IN the State of Mississippi in connection with the offer and/or sale of securities of Williamson Poultry Farms, Inc.

IT IS FURTHER ORDERED, pursuant to the authority set out in §75-71-427 of the Act, that the effectiveness of the registration statement of Williamson Poultry is summarily suspended pending final determination of this matter.

BE ADVISED THAT, pursuant to §75-71-735 of the Act, a willful violation of this Summary Cease and Desist Order may be punishable upon conviction by a fine of not more than twenty-five thousand dollars (\$25,000) or five (5) years imprisonment, or both, in addition to civil and administrative remedies available to the Division.

NOTICE is hereby given that the Respondents shall have an additional thirty (30) days from the date of receipt of this First Amended Summary Cease and Desist Order to

prepare for a hearing on the matters contained herein. The Respondents may appear at the hearing with or without the assistance of an attorney, on a date and at a time and place to be specified, and cross-examine witnesses and present testimony, evidence and argument relating to the matters contained herein. Upon request, subpoenas may be issued for the attendance of witnesses and for the production of books and papers on the Respondents' behalf at the hearing relating to the matters contained herein. In the event Respondents' do not appear at such hearing, a FINAL CEASE AND DESIST ORDER and ORDER REVOKING REGISTRATION may be entered in this proceeding with no further notice.

Entered, this the 31<sup>st</sup> day of JANUARY, 2002.

ERIC CLARK  
Secretary of State

BY: 

James O. Nelson, II  
Assistant Secretary of State  
Business Regulation and Enforcement

Mailing Address:  
Secretary of State  
Business Regulation and Enforcement  
P.O. Box 136  
Jackson, MS 39205-0136  
Physical Address:  
202 North Congress Street, Suite 601  
Jackson, MS 39201  
Telephone: (601) 359-6366

STATE OF MISSISSIPPI	
I hereby certify that this is a true and complete copy of	
the	<u>6</u> page document on file in this office
DATED	<u>2/1</u> , 20 <u>02</u>
BY	<u>Eric Clark</u>
This Certification Stamp Replaces Our Previous Certification System	

CERTIFICATE OF SERVICE

I, Charlene Newman, do here by certify that I have this day mailed via United States Mail, certified mail, return receipt requested, a true and correct copy of the First Amended Summary Suspension of Registration and Cease and Desist Order to the following:

*Certified Receipt # 7001 0320 0005 5103 2153*

Sharon Patterson Thibodeaux, Esq.  
Attorney at Law  
631 Lakeland East Drive  
Flowood, Mississippi 39208

This the 19 day of February, 2002.



Charlene Newman  
Senior Attorney

Charlene Newman, MSB # 10065  
Mississippi Secretary of State's Office  
Post Office Box 136  
202 N. Congress Street  
Jackson, Mississippi 39205  
(601) 359-6366